

KEYSPAN ENERGY DELIVERY NEW ENGLAND  
D.T.E. 05-68

SECOND SET OF INFORMATION REQUESTS OF THE  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY TO  
KEYSPAN ENERGY DELIVERY NEW ENGLAND

DTE 2-15

Date: February 14, 2006

Respondent: Leo Silvestrini

- Q. Refer to page 28 of the Company's filing. The Company states that the updated commodity price forecasts resulting from Hurricane Katrina were not available when preparing the current forecast and supply plan. Please discuss how the inclusion of those price commodity forecasts could have changed the current Company's forecast.
- A. Over the past year and particularly since the hurricane events in September 2005, the Company has observed substantial variations in energy prices and declining use per customer. However, because the price of gas has increased so quickly, it is difficult to determine what the long-term impact will be. Customers may respond to higher prices in the short term through temporary conservation measures, but may not take permanent measures to reduce or eliminate gas consumption unless it is perceived that the higher prices will remain for an extended period. Therefore, although higher sustained price levels may result in lower use per customer on a permanent basis, it is still too early to tell if this is the situation. Therefore, from an overall perspective, the Company believes that the inclusion of new commodity price forecasts would not (and should not) fundamentally change the parameters of the existing forecast.